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On June 15, 2007, the Receiver and plaintiffs filed replies to SPB's opposition. On June 21, 2007, SPB requested leave to file a response to the Receiver's reply, which the Court granted on June 27, 2007. In the meantime, UAPD filed a response to the Receiver's and plaintiffs' replies. On July 6, 2007, the SPB filed its supplemental opposition to the Receiver's motion. On January 7, 2008, the Receiver filed a Report and Supplemental Memorandum ("Supplemental Memo") in support of the motion.

The Court has considered the arguments presented by the Receiver, the parties and amici curiae in support of and in opposition to the motion and good cause appearing, makes the following orders.

The Receiver's Motion is GRANTED. Except as modified by this Order, the Receiver may immediately commence implementation of the process for determining both physician privileges to practice in the prisons and continued physician employment with CDCR which is described more fully in the procedures attached as Exhibit 3 to the Receiver's motion. In his Supplemental Memo, the Receiver stipulated to a modification of his proposed procedures so as to permit Administrative Law Judges ("ALJs") employed by the State Personnel Board ("SPB") to preside over the evidentiary hearings described in those procedures, provided that such ALJs have received special training in handling privileging cases. The Court finds the Receiver's stipulation to be reasonable, and hereby adopts it as the Court's Order.

The Court finds that the procedures described in Exhibit 3 of the Receiver's Motion are sufficient to protect the rights to procedural due process in employment guaranteed to Stateemployed physicians under State and Federal law.

The Court finds that there is no State constitutional impediment to the procedures described in Exhibit 3 of the Receiver's Motion and, specifically, that the Court need not waive Article VII, Section 3(a) of the State constitution in order to permit the Receiver to implement those procedures.

The Court hereby waives the following State statutes only insofar as they may foreclose the consolidated evidentiary hearing described in Exhibit 3 to the Receiver's Motion for

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determining physician privileges and continued employment of physicians in the prisons:

Government Code § 19574.2 (designates the SPB Hearing Officer as the location to file a petition to compel discovery and states that it shall be an SPB ALJ who makes a decision);

Government Code §§ 19574.5 and 19592.2. (limiting leaves during investigations of misconduct to 15 days);

Government Code § 19575 (rendering adverse action final if not appeal to SPB within 30 calendar days of their effective date);

Government Code § 19576 (authorizing SPB to conduct investigation and hold evidentiary hearings);

Government Code § 19578 (authorizing SPB or its representative to hold evidentiary hearings);

Government Code § 19581 (limiting issuance of subpoenas to SPB or its authorized representative);

Government Code § 19582 (authorizing SPB or its authorized representative to conduct evidentiary hearings, dismiss charges, prepare proposed decisions, adopt proposed decisions and take alternative action);

Government Code § 19583 (providing disciplinary action taken shall stand unless modified or revoked by SPB);

Government Code § 19585 (authorizing appeal to SPB after service of a notice of noncause termination);

Government Code § 19587 (authorizing SPB to set matters for rehearing before its representative in response to petitions for rehearing);

Government Code § 19590 (authorizing SPB to investigate disciplinary actions and conduct evidentiary hearings); and

California Code of Regulations, Title 2, § 51.4 (stating every appeal hearing, including adverse action hearings, shall be open to the public).

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CERTIFICATE OF SERVICE

The undersigned hereby certifies as follows:

I am an employee of the law firm of Futterman & Dupree LLP, 160 Sansome Street, 17th Floor, San Francisco, CA 94104. I am over the age of 18 and not a party to the within action.

I am readily familiar with the business practice of Futterman & Dupree, LLP for the collection and processing of correspondence.

On January 7, 2008 I served a copy of the following document(s):

[PROPOSED] ORDER GRANTING RECEIVER'S MOTION FOR WAIVER OF STATE LAW RE PHYSICIAN CLINICAL COMPETENCY DETERMINATIONS

by placing true copies thereof enclosed in sealed envelopes, for collection and service pursuant to the ordinary business practice of this office in the manner and/or manners described below to each of the parties herein and addressed as follows:

- BY HAND DELIVERY: I caused such envelope(s) to be served by hand to the address(es) designated below.
- X BY MAIL: I caused such envelope(s) to be deposited in the mail at my business address, addressed to the addressee(s) designated. I am readily familiar with Futterman & Dupree's practice for collection and processing of correspondence and pleadings for mailing. It is deposited with the United States Postal Service on that same day in the ordinary course of business.
- BY OVERNIGHT COURIER SERVICE: I caused such envelope(s) to be delivered via overnight courier service to the addressee(s) designated.
- BY FACSIMILE: I caused said document(s) to be transmitted to the telephone number(s) of the addressee(s) designated.

Andrea Lynn Hoch
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23 J. Michael Keating, Jr. 285 Terrace Avenue 24 | Riverside, RI 02915

Dated: January 7, 2008

Lori Dotson

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